



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
08-20980-CR-JORDAN/MCALILEY
CASE NO. _____

18 U.S.C. § 1343

18 U.S.C. § 2

18 U.S.C. § 982(a)(2)(A)

UNITED STATES OF AMERICA

vs.

ANDRES LEONEL PIMSTEIN,

Defendant.

INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At all times relevant to this Information:

Companies

1. The Bottom Line of South Florida, Inc., hereinafter "The Bottom Line," was a corporation formed under the laws of the State of Florida in or around September 1988 that, starting in or around 2005, purportedly distributed the Apple iPod® and other consumer electronics in Latin America.

2. Summit Trading LLC, hereinafter "Summit," was a limited liability company formed under the laws of the State of Florida in or around March 2005 that purportedly served as a partner of The Bottom Line to distribute the Apple iPod® and other consumer electronics in Latin America.

3. Ripley Corp S.A., hereinafter "Ripley," was a department store chain with locations in the Republic of Chile that listed its common stock on the Santiago Stock Exchange.

“Ponzi” Scheme

4. A “Ponzi” scheme is a fraudulent investment scheme. In this scheme, capital contributions are raised for investment in a business venture with a promise or other assurance of a short-term, high-yield return on investment. In such a scheme, the business venture’s “profits” to investors are not created by the venture’s underlying success. The “profits” are instead derived fraudulently from capital contributions of other investors.

5. A “Ponzi” scheme typically operates at loss, but the corporation nevertheless gives the appearance of being profitable by obtaining new investors and using the new investors’ money to pay for the high-yield returns promised to earlier investors. The effect of a “Ponzi” scheme is to put the corporation further into debt by incurring more liability.

Defendant

6. Defendant **ANDRES LEONEL PIMSTEIN** was a Miami-Dade County resident, a director of The Bottom Line, and a signatory on Summit’s corporate bank account.

COUNTS 1-12
WIRE FRAUD
(18 U.S.C. §§ 1343 and 2)

1. Paragraphs 1 through 6 of the General Allegations section of this Information are realleged and incorporated as though fully set forth herein.

2. On or about the dates as set forth in the counts below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

ANDRES LEONEL PIMSTEIN,

did knowingly, and with intent to defraud, devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses,

representations, and promises, knowing that they were false and fraudulent when made, and transmitting and causing to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, or sounds for the purpose of executing the scheme and artifice.

PURPOSE OF THE SCHEME AND ARTIFICE

3. It was a purpose of the scheme and artifice for the defendant to unlawfully enrich himself by (a) soliciting capital contributions to The Bottom Line and Summit for the claimed purpose of selling the Apple iPod® and other consumer electronics to Ripley; (b) promising a short-term, high-yield return on investment of up to 36 percent; and (c) using the flow of investment proceeds to pay other investors and himself and to further the fraud scheme.

THE SCHEME AND ARTIFICE

The manner and means by which the defendant sought to accomplish the purpose of the scheme and artifice included, among others, the following:

4. **ANDRES LEONEL PIMSTEIN**, and others at his direction or with his knowledge, solicited family, friends, and other persons to invest in The Bottom Line and Summit (hereinafter “the Investment Companies”). **PIMSTEIN**’s solicitation pertained to an investment opportunity in which the Investment Companies would wholesale-purchase consumer electronics—primarily the Apple iPod®—and sell them to Ripley, who allegedly intended to buy the electronics at above-market rates. **PIMSTEIN** promised potential investors an annual return ranging from 18% to 36% to be paid in monthly installments.

5. **PIMSTEIN** offered some of the investors the opportunity to earn additional proceeds by recruiting new investors on behalf of the Investment Companies. At least 18 investors agreed to

serve as agents in this way, forming independent corporate entities from which to solicit and receive new investor funds for the Investment Companies. In exchange for their work, **PIMSTEIN** made "interest payments" to the agents that were purportedly derived from the sale of products to Ripley. The agents, in turn, distributed a percentage of the "interest payments" to their investors and retained the difference as commissions.

6. **PIMSTEIN** created false invoices to document the purported purchase and sale of various consumer electronics because, in fact, the Investment Companies did not purchase anything for subsequent sale to Ripley or otherwise. Rather, **PIMSTEIN** misdirected the investment capital intended for product purchases for monthly returns, "interest payments," and distributions to those investors who sought to withdraw their money from the Investment Companies. Some of the investors received payments by check or wire, while others chose to re-invest their payouts in the Investment Companies. **PIMSTEIN** also used the capital for personal items and expenses, including residential mortgage payments, automobile note payments, and child support.

7. As a result of the scheme, **PIMSTEIN** raised at least \$30 million through the Investment Companies and the agents' various corporate entities. At least 85 of the scheme's investors suffered unreimbursed loss of principal totaling over \$20 million.

USE OF THE WIRES

8. On or about the dates as set forth in the counts below, **ANDRES LEONEL PIMSTEIN**, for the purpose of executing, and in furtherance of, the scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, did knowingly transmit and cause to be transmitted in interstate commerce by means of wire communication certain writings, signs, signals, pictures, and sounds, as more particularly

described in each count below.

COUNT	APPROX. DATE	DESCRIPTION OF WIRE COMMUNICATION
1	03/28/2007	Wire transfer from investor E.B.'s United Services Automobile Association account (number XXXX0375) in Texas, in the amount of \$10,000, to Summit Trading LLC's Wachovia Bank account (number XXXXXXXXXX8177) in the Southern District of Florida.
2	04/17/2007	Wire transfer from investor R.G.'s Charter One Bank account (number XXXXXX4510) in Ohio, in the amount of \$40,000, to Summit Trading LLC's Wachovia Bank account (number XXXXXXXXXX8177) in the Southern District of Florida.
3	05/04/2007	Wire transfer from investor C.N.'s Fidelity Investments account (number XXXXX1178) in California, in the amount of \$30,000, to Summit Trading LLC's Wachovia Bank account (number XXXXXXXXXX8177) in the Southern District of Florida.
4	07/17/2007	Wire transfer from investor F.C.'s Washington Mutual Bank account (number XXX-XXX475-8) in Washington, in the amount of \$100,000, to Summit Trading LLC's Wachovia Bank account (number XXXXXXXXXX8177) in the Southern District of Florida.
5	08/27/2007	Wire transfer from investor F.C.'s Washington Mutual Bank account (number XXX-XXX756-4) in Washington, in the amount of \$50,000, to Summit Trading LLC's Wachovia Bank account (number XXXXXXXXXX8177) in the Southern District of Florida.
6	08/30/2007	Wire transfer from investor C.N.'s Fidelity Investments account (number XXXXX1178) in California, in the amount of \$30,000, to Summit Trading LLC's Wachovia Bank account (number XXXXXXXXXX8177) in the Southern District of Florida.

COUNT	APPROX. DATE	DESCRIPTION OF WIRE COMMUNICATION
7	10/19/2007	Wire transfer from investor F.C.'s Washington Mutual Bank account (number XXX-XXX171-5) in Washington, in the amount of \$350,000, to Summit Trading LLC's Wachovia Bank account (number XXXXXXXXXX8177) in the Southern District of Florida.
8	01/10/2008	Wire transfer from investor C.F.'s MetLife Securities, Inc., account (number XXXXX4367) in California, in the amount of \$75,000, to Summit Trading LLC's Bank of America account (number XXXXXXXXXX1282) in the Southern District of Florida.
9	02/21/2008	Wire transfer from investor C.A.'s Washington Mutual Bank account (number XXX-XXX461-0) in Washington, in the amount of \$125,000, to Summit Trading LLC's Bank of America account (number XXXXXXXXXX1282) in the Southern District of Florida.
10	03/04/2008	Wire transfer from investor K.B.'s Bank of America account (number XXXXXXXXXX2906) in New York, in the amount of \$100,000, to Summit Trading LLC's Bank of America account (number XXXXXXXXXX1282) in the Southern District of Florida.
11	03/13/2008	Wire transfer from investor F.C.'s Bank of America account (number XXXXXXXXXX5230) in Washington, in the amount of \$50,000, to Summit Trading LLC's Bank of America account (number XXXXXXXXXX1282) in the Southern District of Florida.
12	03/28/2008	Wire transfer from investor C.F.'s MetLife Securities, Inc., account (number XXXXX4367) in California, in the amount of \$25,000, to Summit Trading LLC's Bank of America account (number XXXXXXXXXX1282) in the Southern District of Florida.

In violation of Title 18, United States Code, Sections 1343 and 2.

CRIMINAL FORFEITURE

1. The allegations of this Information are re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America of certain property in which the defendant has an interest, pursuant to the provisions of Title 18, United States Code, Section 982(a)(2)(A), and the procedures outlined at Title 21, United States Code, Section 853.

2. Upon conviction of the violations alleged in this Information, the defendant shall forfeit to the United States all property, constituting or derived from proceeds obtained, directly or indirectly, from the violations.

3. The property which is subject to forfeiture, includes, but is not limited to, approximately 5,540 Apple iPods® identified in Federal Bureau of Investigation Form FD-97 dated April 22, 2008.

4. If the property described above as being subject to forfeiture, as a result of any act or omission of the defendant,

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to or deposited with a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as made applicable through Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other

property of the defendant up to the value of the above forfeitable property.

All pursuant to Title 18, United States Code, Section 982(a)(2)(A), and the procedures outlined at Title 21, United States Code, Section 853.



R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY



JEFFREY E. TSAI
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